



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 12/22/2006

**GAIN Report Number:** IN6112

## India

### Oilseeds and Products

### Monthly Lock-up Report: January 2006

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**Report Highlights:**

Rapeseed/mustard planted acreage has declined by 9 percent with production estimated at 5.8 million tons for MY 2006/07. Vegetable oil imports in the first two months of MY 2006/07 (Oct-Sep) increased by 20 percent over last year, and meal exports increased by 72 percent.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

## Rapeseed Production Likely to Decline

According to the latest government data, the rabi/winter season rapeseed planting is down by 9 percent at 6.5 million hectares through mid-December, compared with 7 million hectares during the corresponding period of last year. Most of the shift was toward wheat (in Haryana and Rajasthan) and chickpeas (in Madhya Pradesh). Due to unfavorable sowing conditions, characterized by above normal temperatures, mustard farmers in Rajasthan and other mustard growing states had to resort to re-planting or late planting in November, which could result in potential yield reductions. Considering the above factors, MY 2006/07 rapeseed/mustard production is forecast estimated at 5.8 million tons, although the final outcome will depend on weather through harvest in February end-March.

## Large Mustard Stocks

The mustard stocks held by the National Agricultural Cooperative Marketing Federation of India (Nafed), procured this year under the price support operation, are currently estimated at 1.6 million tons. This should give some respite to processors as Nafed is expected to continue to sell some more from these stocks through February 2007, at not much price advantage. Nafed is expected to keep a buffer stock of 0.8 to 1.0 million tons, which would be used to check price rise later in the season.

## Vegetable Oil Imports Higher

Vegetable oil imports in the first two months of the MY 2006/07 (October-September) registered a 20 percent increase over the corresponding period of the previous year at 890,000 tons. The reduced duty on palm group oils applicable until December 31, 2006 is one of the drivers for increased imports. The domestic vegetable oil industry has appealed to the government to restore import duty on palm oil to the original levels and not to resort to further duty cuts in order protect farmers' interest. Lower oilseed production both in the *kharif* and *rabi* season is likely to result in increased vegetable oil imports in coming months.

## Vegetable Oil Imports (metric ton)

	Oct'06	Nov'06	Oct'06- Nov'06	Oct'05- Nov'05
RBD palm olein	6499	5500	11999	22163
Crude palm oil	390263	180036	570299	410055
Crude palm olein	3997	2956	6953	1998
Crude palm kernel oil	2509	1500	4009	8747
<b>Total palm oil</b>	<b>403268</b>	<b>189992</b>	<b>593260</b>	<b>442963</b>
Crude soybean oil	222453	53250	275703	291746
Refined soybean oil	0	0	0	0
<b>Total soybean oil</b>	<b>222453</b>	<b>53250</b>	<b>275703</b>	<b>291746</b>
Crude sunflower oil	10000	9000	19000	3000
Refined sunflower oil	0	0	0	0
<b>Total sunflower oil</b>	<b>10000</b>	<b>9000</b>	<b>19000</b>	<b>3000</b>
Coconut oil	1000	0	1000	1000
<b>TOTAL</b>	<b>636721</b>	<b>252242</b>	<b>888963</b>	<b>738709</b>

Source: Solvent Extractors' Association of India

### Oilmeal Exports Up

Oilmeal exports in the first two months of the MY 2006/07 are 72 percent higher at almost 1 million tons compared to 0.5 million tons last year. Higher exports are attributed to the price competitiveness of Indian meals in the world market and the freight advantage to South Asian markets.

### Meal Exports (Metric Ton)

	Soybean	Rapeseed	Peanut	Ricebran	Sunflower	Castor	Total
Oct'06	219500	74000	0	21950	0	17175	332625
Nov'06	457450	68250	3200	21900	0	32450	583250
<b>Oct'06-Nov'06</b>	<b>676950</b>	<b>142250</b>	<b>3200</b>	<b>43850</b>	<b>0</b>	<b>49625</b>	<b>915875</b>
<b>Oct'05-Nov'05</b>	<b>426925</b>	<b>58975</b>	<b>11025</b>	<b>12867</b>	<b>0</b>	<b>21325</b>	<b>531117</b>

Source: Solvent Extractors' Association of India

### Vegetable oil tariff values unchanged

The GOI Custom Department released a notification on December 1, 2006, retaining the base import prices (tariff values) of edible oils at previous levels. The applicable tariff values on various edible oils are given below:

Type of oil	Tariff Value (\$ Per ton)
Crude Palm Oil	447
Crude Palmolein	481
RBD Palm Oil	476
RBD Palmolein	484
Other Palm Oil	462
Other Palmolein	483
Crude Soybean Oil	580

The customs notification is available at: [www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k6/csnt130-2k6.htm](http://www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k6/csnt130-2k6.htm)